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Pombal and the Nationalization of the Luso-Brazilian Economy

KENNETH R. MAXWELL*

In late July 1750, amid multifarious relics, lulled by assorted chanting ecclesiastics, John V, a moribund Portuguese *Roi Soleil,* at last expired. Within three days after the accession of Joseph I, a new force had begun to control affairs of state—Sebastião José Carvalho e Mello, later to be the Marquis of Pombal. Hardworking, taciturn, inquisitive, Carvalho e Mello had been Portuguese minister in London, then special envoy at Vienna. Though Luís da Cunha, delegate to the Utrecht treaty negotiations and ambassador in Paris, recommended him for his "patient and speculative temperament," others were not so complimentary.[1] The British diplomat Benjamin Keene wrote: "It is a poor Coimbrian pate as ever I met with, to be as stubborn, as dull, is the true asinine quality. I shall only say that a little genius who has a mind to be a great one in a little country, is a very uneasy animal."[2]

Fifty years old at the accession of Joseph, the new minister belonged to a generation of open-minded officials and diplomats who had given much thought to the imperial organization and the mercantilist techniques which, they believed, lay behind the growing power and wealth of France and Great Britain.[3] Carvalho e Mello had written in 1742 that "all the nations of Europe are today augmenting themselves by reciprocal imitation, each carefully watching

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[1] Máximas sobre a reforma . . . dirigidas ao . . . Sr. D. José por D. Luís da Cunha. . . . Biblioteca Nacional de Lisboa, Pombal collection (hereafter cited as BNLCP), códice 51, 178v.

[2] Benjamin Keene, to Abraham Castres, October 1745, in *The Private Correspondence of Sir Benjamin Keene K.B.*, ed. by Sir Richard Lodge (Cambridge, 1933), 72.

[3] Manuel Nunes Dias, "Fomento ultramarino e mercantilismo: a Companhia Geral do Grão-Pará e Maranhão 1755-1778," *Revista de História* (hereafter cited as *RHSP*), No. 66 (April-June 1966), 426; Moses Bensabat Amzalak, *Do estudo e da evolução das doutrinas econômicas em Portugal* (Lisbon, 1928), 88-98; Silva to Carvalho e Mello, November 3, 1755, in *Anais de Acadêmia Portuguêsa da História* (hereafter cited as *AAP*), 346-348.

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over the actions of the others.''[4] Such careful watching was his ''most interesting duty in London,'' he told the Cardinal da Motta.[5]

The diminished stature of the Iberian nations in the eighteenth century had forced both Spanish and Portuguese statesmen to face the formidable problem of modernization. It had become increasingly evident that governmental efficiency and imperial consolidation were essential if either country was to retain its influence in a competitive world. Carvalho e Mello was in London between 1738 and 1745, during the War of Jenkins' Ear and Vernon's attack on Cartagena. It was a period of the crystalization of imperial ideas and mythology in Britain and inevitably brought to the forefront those long-held preoccupations about the future of the Portuguese territories—a concern that was only aggravated by the deep offense given to the envoy's own sensibilities by the casual way in which the British took the Anglo-Portuguese relationship for granted, and his suspicion that the ''envy of our Brazil so strong in English hearts,'' as he put it, would lead them to a similar attack on Portuguese America.[6]

Carvalho e Mello set out to investigate the causes, techniques, and mechanisms of British commercial and naval superiority, and during his sojourn in London succeeded in obtaining a most detailed appreciation of the British position. His remarkable library in London reflected his interests. With the books of Thomas Mun, William Petty, Charles Davenant, Charles King, Joshua Gee, Joshua Child, with select reports on colonies, trade, mines, woolen manufactories, with specialized tracts on sugar, tobacco, fisheries, parliamentary acts of tonnage and poundage, shipping and navigation, fraud in customs houses, the book of rates, and ordinances of the British marine, and above all with a heavy concentration of works on the English trading companies, his collection was a veritable treasure house of mercantilist classics.[7]

Out of his extensive reading and his personal observation Carvalho e Mello came to see the control Britain exercised over his country not only as the root cause of the social and economic malaise of the

[4] J. Lúcio d'Azevedo, *O Marquês de Pombal e a sua época* (2nd ed., Lisbon, 1922), 40.

[5] Marcus Cheke, *Dictator of Portugal; a Life of the Marquis of Pombal 1699-1782* (London, 1938), 33.

[6] BNLCP códice 656; ofício . . . Carvalho e Mello, July 8, 1741, in *Revista do Instituto Histórico e Geográfico Brasileiro* (hereafter cited as *RIHGB*) IV (2nd ed., 1863), 504-514; Richard Koebner, *Empire* (2nd ed., New York, 1961), 82; Vincent T. Harlow, *The Founding of the Second British Empire* 1763-1793 (2 vols., London, 1952-1964), II, 626-630; and the classic study by Richard Pares, *War and Trade in the West Indies 1739-1763* (Oxford, 1936).

[7] Based on the catalogues of Carvalho e Mello's books in London, BNLCP, códices 165, 167, 342, 343.

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Portuguese nation, but also as one of the reasons for the rapid advances of the British economy. He believed the Cromwellian treaty of 1654 had fixed on a newly independent Portugal a system of control which had made her more a slave of English interest than she had ever been of Spain. The English had achieved possession without dominion. It was a relationship which had enabled them to absorb the vast riches which had come after the discovery of gold and diamonds in Brazil, and Carvalho e Mello believed that the great amount of capital produced in the mines had passed almost completely to Britain.

It was this great influx of Brazilian gold that had provided Britain, in Carvalho e Mello's opinion, the means for the creation of her formidable marine and her vigorous arts and manufactories. The increase of bullion and circulating media in Britain had stimulated agriculture, raised land values, and brought the rejuvenation of manufacturing industry. And Portugal was concerned not merely with the cause but also with the effects, for the Portuguese market was a guaranteed and lucrative outlet for British manufactured goods. Portugal had in fact allowed her own riches to be used against herself, so that the wealth of the mines was an illusion. "The Negroes that work the mines of Brazil must be clothed by England," Carvalho e Mello observed, "thus the value of their produce becomes relative to the price of cloth." It did not interest Britain whether the political situation in Portugal was good—indeed the opposite was the case. The result of the system of control without responsibility had been to weaken and discredit the Portuguese government and to sap the moral and intellectual strength of Portuguese society.[8]

There was a great deal of truth in the new minister's diagnosis, and by placing the problems squarely into the broad imperial framework the connections and interrelationships between the issues at stake became evident. The prosperity of metropolitan Portugal in the mid-eighteenth century depended directly on the fluctuations of the colonial economy. The gold, sugar, and tobacco of Brazil formed the basis of the South Atlantic commercial complex. Sugar and tobacco provided profitable reexports to Spain, and gold a means to balance the unfavorable trade with the north and to pay for the import of wood and grain.[9] "The two cities of Lisbon and Oporto may be

[8] This synopsis of Carvalho e Mello's views is based on a wide reading of his instructions, memorials, and observations, in particular the extracts from his writings in John Athelstone Smith (Conde de Carnota), *The Marquis of Pombal* (2 vols., London, 1843), I, 82-86, 109-126, and the discurso político in the Arquivo Histórico Ultramarino, Lisbon (hereafter cited as AHU), códice 1227.

[9] For the Portuguese grain trade see Vitorino Magalhães Godinho, *Prix et*

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justly considered as the two eyes of Portugal,'' commented the traveler Arthur Costigan, ''for here centre the whole riches of the country and all their trade with foreign nations, and their own possessions in the Brazils; upon which last especially depends their whole existence as a people, and the immediate support of the throne.''[10] During the decade 1740-1750 in the port of Lisbon alone the annual movement of shipping surpassed eight hundred vessels, of which about three hundred were Portuguese, and a third of these directly engaged in trade to Brazil.[11]

Specialization among the Brazilian regions was reflected by a specialization of products carried by the fleets. The Rio fleet brought gold and substantial shipments of hides and silver. From Pernambuco came wood and sugar. The fleets of the north, of Grão-Pará and Maranhão carried cacao. The riches of Bahia were legendary. Thirty to forty ships left Brazil each year with cargoes of gold, silver, diamonds, jasper, cacao, balsam, cotton, tobacco, and sugar.[12] So acute was Portugal's reliance on Brazil in the eighteenth century that Luís da Cunha could foresee the transfer of the court to Rio de Janeiro, with the king taking the title ''Emperor of the West'' and appointing a viceroy to rule in Lisbon. In the recommendation composed in 1736 for the use of Carvalho e Mello's uncle, Marco Antônio de Azevedo Coutinho, on his appointment as Foreign Secretary, Luís da Cunha had envisioned a Portuguese empire in America extending from the Plata and Paraguay to north of the Amazon. ''It is safer

Monnaies au Portugal 1750-1850 (Paris, 1955), 147-149; for Spanish-Portuguese trade see Jean François Bourgoing, *Voyage du ci-devant Duc du Chatelet en Portugal . . .* (2 vols., Paris, 1798-1808), I, 228; and for comments on the importation of wood from northern Europe see Francisco Xavier de Mendonça Furtado to Fernando de Lavra, January 26, 1752, and Mendonça Furtado to Carvalho e Mello, July 15, 1757, in Marcos Carneiro de Mendonça, *A Amazônia na era pombalina, correspondência inédita do governador e capitão-general do estado do Grão-Pará e Maranhão, Francisco Xavier de Mendonça Furtado 1751-1759* (3 vols., Rio de Janeiro, 1963), I, 214-215, III, 1119-1120, hereafter cited as *Correspondência inédita.*

[10] Arthur William Costigan, *Sketches of Society and Manners in Portugal* (2 vols., London, 1787), I, 285.

[11] Jorge Borges de Macedo, ''Portugal e a economia 'pombalina.' Temas e hipóteses,'' *RHSP*, No. 19 (July-September 1954), 83-84.

[12] For background and development of the fleet system see Frédéric Mauro, *Le Portugal et l'Atlantique au XVIIe siècle 1570-1670* (Paris, 1960); on fleet specialization see Vitorino Magalhães Godinho, ''Le Portugal, les flottes du sucre et les flottes de l'or 1670-1770,'' *Annales-économies-sociétés-civilisations,* V année, No. 2 (April-June 1950), 184-197; and for the Bahia fleet see Johan Brelin, *De passagem pelo Brasil e Portugal em 1756* (Lisbon, 1955), 106.

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and more convenient to be where one has everything in abundance," he wrote, "than where one must wait for what one wants."[13]

The major link between Portugal's colonial system and the developing world economy was Anglo-Portuguese commerce. By the Methuen treaty of 1703, English woolen goods entered Lisbon and Oporto duty free. In return, Portuguese wines received advantages on the English market. During the first half of the eighteenth century the trade was greatly in Britain's favor and the profits for individuals high.[14] Woolen cloth made up two-thirds of the total British export, and from 1756 to 1760, port wine represented in value seventy-two percent of the total wine consumption in England.[15] The great influx of gold and diamonds from Brazil had exaggerated from the early thirties the imbalance of Anglo-Portuguese exchange.[16] Deficits could be made up and the purchase of foreign goods facilitated by the outflow of bullion, which as Henry Fielding observed, "Portugal distributes so liberally over Europe."[17]

Throughout the first half of the eighteenth century only Holland and Germany surpassed Portugal as consumers of British exports, and it was to be only during the most critical moments of the Seven Years War that English shipping in the port of Lisbon fell below fifty percent of the total.[18] The value of the Portugal trade to Britain was obvious and well known. "By this treaty we gain a greater Ballance from Portugal, than from any other country whatsoever," wrote Charles King.[19] Others viewed the relationship with less favor. The Lisbon earthquake of 1755 could be turned to advantage, claimed the pamphleteer Ange Goudar, if Portugal could seize the opportunity to break away from the rapacious English connection.[20] Choiseul

[13] Academia das Ciências de Lisboa, *Instruções inéditas de D. Luís da Cunha a Marco Antônio de Azevedo Coutinho* . . . (Coimbra, 1929), 211, 214, 215.

[14] Background on Methuen Treaty is provided by A. D. Francis, *The Methuens and Portugal 1691-1708* (London, 1966); and Alan K. Manchester, *British Preëminence in Brazil* (Chapel Hill, 1933), 24; for an account of an individual merchant involved see Lucy S. Sutherland, *A London Merchant 1695-1774* (Oxford, 1933).

[15] A. B. Wallis Chapman, "The Commercial Relations of England and Portugal 1487-1807," *Transactions of the Royal Historical Society*, 3rd series, I (1907), 177; Jorge Borges de Macedo, *Problemas de história da indústria portuguêsa no século XVIII* (Lisbon, 1963), 48.

[16] Elizabeth Boody Schumpeter, *English Overseas Trade Statistics* (Oxford, 1960), Tables V, VI, 17-20; Macedo, *Problemas*, 46-47, 53.

[17] Henry Fielding, *The Journal of a Voyage to Lisbon* (Oxford, 1907), 99.

[18] Schumpeter, *Trade Statistics*, Table V, 17; Macedo, "Portugal," 90.

[19] Charles King, *The British Merchant* (3rd ed., 3 vols., London, 1748), III, 1-78.

[20] Ange Goudar, *Relation historique du tremblement de terre*. . . . (1756).

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wrote bluntly five years later that Portugal "must be regarded as an English colony."[21]

The ease with which bullion could be remitted by a British man-of-war and a Falmouth packet boat owed much to the long tradition of British commerce in Portugal. The English factories or commercial communities in Lisbon and Oporto possessed a legal and privileged status dating from the seventeenth century. The treaty of 1654 guaranteed the English not only the "same liberties, privileges, and exemptions as the Portuguese in metropolitan and colonial commerce," but also provided for religious toleration. And a secret article prohibited the raising of customs duties on British goods above twenty-three percent. Parts of the treaty had always remained dead letters, particularly those related to the presence of English merchants in the Portuguese possessions. But the 1654 and subsequent treaties had provided a favorable environment for the creation of the semi-colonial dependency in which mid-eighteenth-century Portugal found herself with relation to her northern ally. The Factory in 1750 contained many old established and influential British companies—among them Bristow, Ward and Co., the agents of John Bristow of London; Burrell, Ducket and Hardy, the agents of Burrell and Raymond; Chase, Wilson, and Co., agents of T. Chase.[22] "A great Body of His Majesty's subjects reside at Lisbon, rich, opulent, and every day increasing their fortunes and enlarging their dealings," remarked Lord Tyrawley during a special mission to Portugal in 1752.[23] "It is a common observation of the natives," Costigan wrote, "that excepting of the lowest conditions of life, you shall not meet any one on foot some hours of the violent heat every day, but dogs and Englishmen."[24]

Brazilian gold was not the only link between the English and the colonial complex. "The foreign merchant houses by means of their great capital had made themselves absolute mistress of metropolitan and colonial commerce," commented a Portuguese contemporary. "Few or rare were the Portuguese merchants in a condition to do business with their own funds, none with goods that were not foreign. All the commerce of Brazil was made on credit and the greater part by salesmen of the foreign houses and by *commissários volantes* who

[21] Cited by A. Christelow, "Economic background of the Anglo-Spanish War of 1762," *Journal of Modern History*, XVIII (March 1946), 27.

[22] Sir Richard Lodge, "The English Factory at Lisbon," *Transactions of the Royal Historical Society*, 4th series, XVI (1933), 225-226; A. R. Walford, *The British Factory in Lisbon* (Lisbon, 1940), 20; Sutherland, *A London Merchant*, 25.

[23] Walford, *British Factory*, 20.

[24] Costigan, *Sketches*, II, 29.

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took manufactures from Portugal to America and did business on the account of the foreigner receiving a commission for their work and a bonus for extra service.''[25] The *commissários volantes,* Portuguese itinerant traders, bought goods in the metropolis, sold them personally in America, and returned with the proceeds. They were one of the essential elements in the transatlantic commercial connection. These free traders often travelled under false pretenses and carried merchandise in their shipboard accommodation, avoiding outlays for commissions, freight charges, and warehousing.[26]

A high proportion of the British manufactured goods exported to Brazil via Portugal went ultimately into the Spanish colonies as contraband. The result was important, for the functioning of the system at the height of its prosperity brought silver to Britain, vital to English commerce in Asia. Bougainville estimated that at least thirty coasting vessels were employed in the contraband trade between Brazil and the Plata.[27] British participation was very advantageous and profitable, and almost all of the silver returning to Europe on the Brazil fleets was reshipped to England.[28] Nor was it solely the officially favored direct contraband with Buenos Aires that brought silver into the system. Extensive fraud throughout the interior mining zones in the returns of the royal fifth made possible an inter-American contraband of considerable proportions, and, according to Alexandre de Gusmão, the greater part of the gold production escaped official inspection.

The miners themselves were not primarily responsible for the extensive flow of contraband gold. It was because of the estate owners, office holders, ecclesiastics, and preeminently the convoy merchants (who supplied manufactures, horses, cattle, and slaves to the mining zones) that gold evaded government control and stimulated illegal commerce. Of particular notoriety were the ecclesiastics who, owing to their exemption from search at the check points, could carry large quantities without hindrance. Contraband gold from Minas Gerais was taken to Buenos Aires, and that of Cuibá and Mato Grosso into

[25] Conselho ultramarino, documentos vários, Instituto Histórico e Geográfico Brasileiro, Rio de Janeiro, Arquivo (hereafter cited as IHGB), 1-1-8, 43.

[26] Relatório do marquês de Lavradio, *RIHGB,* IV (2nd ed., 1893), 459; J. Lúcio d'Azevedo, *Estudos de história paraense* (Pará, 1893), 74.

[27] Lewis de Bougainville, *A voyage round the world . . . in the Years 1766, 1767, 1768, 1769.* (London, 1772), 82-83.

[28] A. Christelow, ''Great Britain and the Trades from Cádiz and Lisbon to Spanish America and Brazil, 1759-1783,'' *HAHR,* XXVII (February 1947), 12; Olga Pantaleão, ''A penetração comercial da Inglaterra na América Espanhola 1718-1783,'' *Boletim LXII da Faculdade de Filosofia Ciências e Letras da Universidade de São Paulo* (São Paulo, 1946).

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the nearby Spanish provinces. Here it was converted at a favorable rate of exchange for silver which was returned to the Brazilian port cities and used to purchase contraband manufactures, either from the commissaries or from the officers and seamen of the fleets.[29] A vast unofficial and illegal commerce using the fleet system as a cover and a means for export and remittance thus paralleled and may even at times have surpassed the legitimate traffic. It was a situation encouraged by the weakening of state power that characterized the last years of John V.[30]

The great prosperity of colonial commerce and contraband and the relative freedom of trade were not without repercussions. The avoidance of freight and other charges by the *commissários volantes* allowed them to undercut the established merchants of the Brazilian port cities who received regular legal consignments from their correspondents in the metropolis. The inevitable result was the glutting of the market, which in turn upset the credit mechanism between the colony and metropolis, with equally serious consequences within Brazil itself. Overstocking and price-cutting in the Brazilian market was of little concern to the foreign supplies of credit and merchandise in the metropolis, for as the Factory pointed out, "it is all one to Great Britain provided the goods are disposed of."[31]

The difficulties facing the established merchants in Brazil, however, adversely affected the agricultural producers of the hinterland. Forced to call on their credit and to increase interest rates, the merchants lacked the ready cash to buy the tobacco, sugar, cattle, and leather of the interior, and their means of exchange in goods had been hopelessly debased. The freetraders had not the same incentive to deal leniently with the tobacco and sugar planters who now became their debtors. Employing judicial process and violent foreclosure, their methods brought severe pressure on farmers and sugar mill owners faced with the necessity for large capital investment in processing machinery and in slaves.[32] The quick profits in silver and gold which went to the free traders and the foreign factors and merchants in Lisbon, of which they were little more than the hired

[29] Consultas de Alexandre de Gusmão, IHGB, 1-2-39, 69.

[30] Jorge Borges de Macedo, *A situação econômica no tempo de Pombal* (Oporto, 1951), 61, 68-69.

[31] Memórias do consul e factória británnica na corte de Lisboa. . . . BNLCP, códice 94, 46v.

[32] Conselho ultramarino, documentos vários, IHGB, 1-1-8, 43, and 1-2-11, 47; Discurso preliminar, histórico e introductivo, com natureza de discrição da comarca e cidade da Bahia, *Anais da Biblioteca Nacional* (Rio de Janeiro), XXVII, 127-282; Carvalho e Mello to Mendonça Furtado, August 4, 1755, *Correspondência inédita*, II, 796-797.

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salesmen, brought serious disruption to regular colonial commerce. The activities of the free traders and contrabandists were not confined to the principal trading centres of Bahia, Rio de Janeiro, and Pernambuco. The illicit commerce in Amazon drugs and spices was so profitable that while bankruptcies were known among other commissaries, they were never experienced, despite losses by shipwreck and piracy, by those of Pará and Maranhão.[33]

The Society of Jesus played an important role in the economic difficulties of the Brazilians. The colonists, deprived of labor by the religious order's protection of the Indian and by the exorbitant price of African slaves, possessed no means of challenging the nexus of Jesuit-dominated commerce and Atlantic contraband. The Jesuits, by virtue of the number and value of their properties, the temporal government of over twenty Indian settlements, and the labor use of many more, possessed a capital and power which the inhabitants of Pará and Maranhão could not begin to match.[34] Not only did the missionaries preach to the Indians, but with ranches containing over 170,000 head of cattle, rural estates producing sugar, and the fruits of Indian expeditions into the Amazon forests for native drugs, cloves, and cacao, they also managed a large mercantile operation resulting from years of capital accumulation, careful reinvestment, and development. At the imminent arrival of the ten- or eleven-ship fleet from Oporto or Lisbon the commodities were conveyed by fleets of canoes to the Atlantic seaboard. Collected in the warehouse of the Jesuit colégio, exempt from taxation and customs dues, they were marketed by means of a fair maintained while the fleet was in port. The products were sold to ship captains and commissaries from Portugal, with a small portion consigned to the metropolis in the Society's name and under its stamp. For fifteen years Paulo da Silva Nunes, who represented the interests of the colonists of Maranhão in Lisbon, reflected their irritation and helplessness by constant opposition to the Jesuits and by propaganda against the Society.[35]

[33] d'Azevedo, *Estudos*, 37.

[34] Mendonça Furtado to Carvalho e Mello, January 24, 1754, *Correspondência inédita*, II, 460-464.

[35] J. Lúcio d'Azevedo, *Os Jesuítas no Grão-Pará, suas missões e a colonização* (Lisbon, 1901), 196, 200, 248-249; Apontamentos vários, IHGB, 1-1-8, 290-309; Manuel Nunes Dias, "Fomento ultramarino e mercantilismo: A Companhia Geral de Grão Pará e Maranhão," *RHSP*, No. 67 (July-September 1966), 96; Roberto C. Simonsen, *História econômica do Brasil 1500-1820* (5th ed., São Paulo, 1967), 324-326, 329; Arthur C. Ferreira Reis, *A Amazônia que os Portugueses revelaram* (Rio de Janeiro, 1956), 50. For further details of Jesuit activities in Amazônia and throughout Brazil see the monumental study by Serafim Leite, *História da Companhia de Jesús no Brasil* (10 vols., Lisbon and Rio de Janeiro, 1938-1950).

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Great economic prosperity and weakened state power, given the privileged position of the English and foreign merchant corporations in Lisbon and Oporto, encouraged the penetration of foreign credit and goods throughout the Luso-Brazilian system. The consequence was to upset the credit mechanism and regular exchange between Portugal and Brazil, prejudicing established interests in metropolis and colony, and producing a conflict of interests within the Luso-Brazilian entrepreneurial framework. Free trade and contraband contributed to the increasing denationalization of Luso-Brazilian commerce. By the early fifties the signs of crisis were becoming evident. The proportion of Portuguese shipping in Lisbon declined sharply. During 1748 Portuguese ships accounted for thirty-six percent of the total entrances and thirty-seven percent of the total sailings; by 1750 the proportion was fourteen and seventeen percent; and by 1753 eleven and twelve percent.[36] "A sensible Portuguese writer," commented Costigan, "compares, not unaptly, their whole Kingdom to one of that sort of spiders which has a large body (the capital) with extremely long, thin, feeble legs, reaching to a great distance, but are of no sort of use to it, and which it is hardly able to move."[37]

In 1750, Carvalho e Mello became Portugal's Secretary of State for Foreign Affairs and War. He launched a program to revitalize his country's political system and economy. He was determined to make Portugal less dependent on England and on English trade. Carvalho e Mello's broad framework of reference was vital to an understanding of the situation and of the scope for political action. The fundamental Portuguese contribution to Anglo-Portuguese trade was a metropolitan commodity, port wine, whereas the colonial contribution was gold and silver bullion. Thus the principal channels of trade ran along very special lines and, concerning the favorable balance of Britain, in very specific directions—to Minas Gerais, the principal gold producing region, to the contraband network with Spanish America via Buenos Aires, or to the inter-American gold-silver network of contraband, which again involved Buenos Aires and the interior mining zones. The trade channels were not linked to the staple colonial commodities, sugar and tobacco, for these Britain obtained from her own colonies. In a very real way the means and direction of exchange precluded any interest of the British in the rational exploitation of the basic Brazilian staples. At the same time, the methods used for the distribution of British goods actively disrupted agricultural production in Brazil.

[36] Macedo, "Portugal," 86.
[37] Costigan, *Sketches*, I, 285.

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One of the first measures of the new administration was to reform totally the methods of supervising the gold production of the Brazilian mines. The collection of the seignorial quinto was to be organized according to the methods proposed by the inhabitants of Minas Gerais to the count of Galvães in 1734. During December 1750 the Crown agreed to accept a basic minimum contribution of one hundred arrobas (1465.6 kilograms) of gold per annum, to be guaranteed by the municipal councils (*câmaras*), whose task it was to levy a per capita local tax (*derrama*) to make up the difference should the quota not be filled. In the principal place of the administrative regions (*comarcas*) foundry houses (*casas de fundição*) were established where all the gold was to be cast. The foundry houses would be administered by an intendant and fiscal, chosen not from among the class of magistrates, but from among the "good men of the most important of the land," nominated by a plurality of votes in the municipal councils and approved by the superior crown magistrate (*ouvidor*) of the district.

The royal decree setting up the new system also introduced vigorous measures for the control of contraband and provided incentives for those who cooperated with the authorities. "All people, of whatever quality, status, or condition," discovered removing from the mining zone gold dust or gold bars not cast by the state were to lose all the contraband in their possession, half being retained by the treasury and half paid as a reward to the informant or discoverer of the crime. To make fraud less easy goldsmiths were expelled from the captaincy in 1751. The foundry houses began operating by 1752, and during the coming decade this reformed method of collecting the royal fifth brought the treasury an average of over 104 arrobas of gold a year. In Portugal the government revived the laws against the re-export of gold and precious stones.[38]

Carvalho e Mello's government also sought to bring desperately needed protection to the commerce and producers of the two most important primary products of Brazil—sugar and tobacco. Following preliminary laws in the interests of regular production and marketing during early 1751, the king established inspection houses on April 1, in Bahia, Rio de Janeiro, Pernambuco, and Pará, to "the common benefit of my vassals and the good and just price of these two most important articles." With royal nominees the inspectors

[38] Alvará . . . para a cobrança do direito senhorial dos quintos . . . December 3, 1750, colleção Josephina, BNLCP, códice 453, 47-50v; Bando publicado . . . para . . . sahirem . . . os ouvires, Villa Rica, July 31, 1751, IHGB, lata 8, doc., 26; Coleção da casa dos contos de Ouro Preto, documentos avulsos, Arquivo Nacional, Rio de Janeiro (hereafter cited as ANRJ) latas 99/3, 86/3, 94/2; AHU, códice 311/15.

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were to include representatives of the merchant community and the sugar and tobacco producers. These were selected through their respective municipal councils by a plurality of votes and were to hold office for one year.[39] The government attempted also to protect the debtors of the hinterland. In 1752 the owners of more than thirty slaves in Minas Gerais were exempted from foreclosure for debt.[40] Four years later a royal decree outlawed the excessive mortgages which had contributed to the disruption of the sugar and tobacco industries in Pernambuco.[41]

Strategic and security problems in America were also of great concern to the new administration. The treaty of Madrid signed in January 1750 upheld the Portuguese claim to the Amazon basin. This vast region, almost a third of the land area of South America, had been penetrated and tenuously occupied by Luso-Brazilian miners and missionaries drawn into the interior in the search for El Dorado or by visions of converting the heathen.[42] The Lisbon government faced the unavoidable task of securing the limits and delineating the Hispano-Portuguese agreements. Gomes Freire de Andrade became commissioner for the south, and in the north Carvalho e Mello's own half-brother, Francisco Xavier de Mendonça Furtado.

A secret letter to Gomes Freire supplementing his general instructions revealed one of the most notable of Carvalho e Mello's aims for Portuguese America. "As the power and wealth of every country consist principally in the number and multiplication of the people who inhabit it," he wrote, "this number and multiplication of people is most indispensible now on the frontiers of Brazil. . . ." As it was not "humanly possible" to provide enough people from the metropolis and adjacent islands without causing them to become "entirely deserted," it was essential to abolish "all differences between Indians and Portuguese," to attract the Indians from the Uruguay missions and encourage their marriage with Europeans.[43] Five months earlier the instructions to the new governor of Grão Pará and Maranhão had reflected the same compulsion. Francisco Xavier de Mendonça Furtado was to secure the liberation of the Indian, to introduce married

[39] Regimento . . . casas de inspeção, April 1, 1751, IHGB, lata 71, doc., 17.

[40] Simonsen, *História econômica*, 280.

[41] Conselho ultramarino, vários, IHGB, 1-2-11, 47.

[42] Arthur C. Ferreira Reis, *O processo histórico da economia amazonense* (Rio de Janeiro, 1944); Simonsen, *História econômica*, 303-304.

[43] Carta secretíssima de S. J. de Carvalho e Mello para Gomes Freire de Andrade, para servir de suplemento às instruções que lhe foram enviadas sôbre a forma da execução do Tratado Preliminar de Limites, assinado em Madrid a 13 de janeiro de 1750, Lisbon, September 21, 1751, in Marcos Carneiro de Mendonça, *O Marquês de Pombal e o Brasil* (São Paulo, 1960), 188.

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couples from the Azores, and to stimulate the commerce in Negro slaves. With the cooperation of the missions he was to "cultivate, people, and secure the most vast territory of Pará and Maranhão."[44]

Carvalho e Mello's brother set about his task with energy. He attempted, as he described his activity later, to implement "positive orders for the civilization of the Indians, to enable them to acquire a knowledge of the value of money, something which they had never seen, in the interests of commerce and farming, and . . . familiarity with Europeans, not only by learning the Portuguese language, but by encouraging marriage between Indians and Portuguese, which were all the most proper means to those important ends and together make for the common interest and the happiness of the state."[45]

Thus within a year of Carvalho e Mello's assumption of high office the priorities of the new government in its mercantile and imperial policy had been clearly outlined. The vital supports of the Luso-Brazilian commercial system—sugar, tobacco, and gold—were to be protected by regulation and the defense of established interests. He made a vigorous attempt to rationalize and fortify the collection machinery of the major royal tribute, the quinto. He defended the colonial debtor from violent foreclosure. He established inspection houses to regulate the prices of the colonial staples. And he would assure the future of the American territory, primarily through the liberation and Europeanization of the Indian.

It was far easier, however, to envision the possibilities than it was to make policies that produced effective action. The new method of collecting the royal fifth provoked a bitter controversy in the Overseas Council, where Alexandre de Gusmão complained that the scheme had been "fabricated with more zeal than experience with the mines" and would fail as had all other methods to prevent contraband and fraud. Moreover he held that the tribute obligations would fall only on the miners, while the ecclesiastics, men of government, local barons, and merchants—those who in fact took most of the miners' gold in return for merchandise and victuals—would be exempt from payment. He saw grave danger in the *derrama*, the per capita tax to make up the quota, which again he believed would fall most heavily on the miners.[46] Gusmão's death in 1753 removed his insistent op-

[44] Instruções régias, públicas e secretas para F. X. de Mendonça Furtado, capitão general do estado do Grão Pará e Maranhão, Lisbon, May 31, 1751, *Correspondência inédita*, I, 26-31.

[45] F. X. de Mendonça Furtado, Relação das instruções que se expediram ao conde da Cunha, carta de 18 de março, 1761, in *RIHGB*, pt. I (1872), 216.

[46] Reparos sobre a dispozição da ley de 3 de dezembro de 1750. . . . Lisboa, December 18, 1750, IHGB, 1-2-39, 65, 80-87.

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position. Shortly, the overseas council was reformed and gradually lost most of its policy-making functions. Thereafter Carvalho e Mello consulted with the council only on relatively insignificant matters.[47]

It was clear also that price controls and the regulation of sugar and tobacco production would not provide any real challenge to the stranglehold of foreign credit on the Luso-Brazilian system. The inspection houses were mere palliatives to the effects and did not tackle the root causes of the difficulties facing the established agricultural and merchant groups in the colony. These all too obviously lay in the dominance of the foreign merchants in the metropolis. It was in the colony, however, that the vague notions of economic nationalism could lead to practical means for their realization. For on the far-off, vast, and ill-comprehended frontiers of Brazil the sanguine hopes for Jesuit cooperation and the peaceful assimilation and Europeanization of the Indian proved disastrously misplaced. Out of the tensions and conflicts in Brazilian society emerged a bold and original initiative.

Opposition from the missions of Uruguay to the implementation of the Madrid agreements led to armed clashes with Gomes Freire in 1753, and it took a full-scale campaign to dislodge the rebels by 1756.[48] The interests of the state in the liberation and Europeanization of the Indian collided with the most basic philosophical tenet of Jesuit Indian policy. Furthermore, as the activities of Mendonça Furtado in the north soon made evident, by removing Indian labor from the control of the missions, liberation also threatened to undermine the basic source of Jesuit wealth and predominance in Amazônia. The members of the great missionary-mercantile complex of the society of Jesus in Pará and Maranhão would not easily accept relegation to the status of mere spiritual advisors. Already in his instructions of 1751, Mendonça Furtado had been required to investigate "with great caution, circumspection, and prudence" the reputed wealth of the Jesuits.[49]

Taking up the pleas of the colonists that a commercial company be formed to facilitate the supply of African labor, Mendonça Furtado during 1754 recommended to his brother the founding of a privileged trading company. To establish prosperity in Amazônia he believed it essential to dislodge the Jesuits from the "absolute power" their control of Indian labor and the strategic position of their settlements gave them over commerce and contraband. To assert secular authority

[47] Marcello Caetano, *Do Conselho ultramarino ao Conselho de império* (Lisbon, 1943), 34.

[48] Aurélio Porto, *História das missões orientais do Uruguai* (Rio de Janerio, 1943), I, 429-447.

[49] Intruções régias . . . , Correspondência inédita, I, 30.

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and encourage commerce, as well as to furnish African labor on easier terms than those offered by private traders, the foundation of a company with "solid funds" appeared a logical solution. An abundant supply of Africans would not only obviate the need for Indian slavery and hence circumvent Jesuit influence, but would provide crucial labor to work the land and augment commerce. This in turn would increase royal revenue and help finance the new defensive system to secure the frontiers of Portuguese America.[50]

Mendonça Furtado's proposition met with a sympathetic reception in Lisbon. Already Carvalho e Mello had experimented with and failed to set up a monopolistic company for Asian trade on the English model. The suggestion from Pará provided a practical way of realizing his long-term intentions. In conference with José Francisco da Cruz, he organized the statutes of the exclusive Company of Grão Pará and Maranhão, founded in 1755, and guaranteed an absolute monopoly for twenty years of navigation and the slave trade.[51] Coincident with the establishment of the first Pombaline Brazil company, on June 7, 1755, the temporal power of ecclesiastics over the Indians was suppressed, ending their state of dependency and making them free men, at least as far as the law was concerned.[52] "One of the great public utilities that the commercial company will bring," Carvalho e Mello wrote to his brother during August, "is the regulation of the quantities of merchandise in proportion to consumption . . . , because lack of this just proportion resulted necessarily in the ruin of the commerce of the national merchants to the benefit of foreign merchants and nations."[53]

Yet the company had a wider and equally significant purpose. Meeting the strategic and secular necessities of particular conditions in Brazil, the Company of Grão Pará and Maranhão provided the means for breaking the stranglehold of foreign credit on the Luso-Brazilian commercial system. In December 1755 the *commissários volantes* were prohibited from engaging in colonial commerce.[54] The

[50] Mendonça Furtado to Diogo de Mendonça Corte Real, January 18, 1754, *ibid.*, II, 456-459; Mendonça Furtado to Carvalho e Mello, January 26, 1754, *ibid.*, II, 465-470.

[51] d'Azevedo, *Estudos*, 48-49; Jacome Ratton, *Recordações* (2nd ed., Coimbra, 1920), 180; Smith, *Pombal*, I, 75, 77.

[52] Caio Prado Júnior, *Formação do Brasil contemporâneo, colônia* (São Paulo, 1942), 89; C. R. Boxer, *Race Relations in the Portuguese Colonial Empire 1415-1825* (Oxford, 1963), 98-100.

[53] Carvalho e Mello to Mendonça Furtado, August 4, 1755, BNLCP, códice 262, 107.

[54] Alvará . . . porque . . . he servido prohibir que passem ao Brasil commissários volantes . . . , Lisbon, December 11, 1755, BNLCP, códice 453, 79-80v.

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establishment of the monopolistic company and the economic legislation of 1755 were deliberate actions by the state to rationalize the entrepreneurial structure in favor of the established national merchants. It was hoped that by granting them monopoly privileges they might accumulate sufficient capital to compete effectively with foreigners in every area of Luso-Brazilian commerce. The Company of Grão Pará and Maranhão, Carvalho e Mello told Mendonça Furtado, "was the only way to reclaim the commerce of all Portuguese America from the hands of foreigners."[55] In the socio-economic crisis facing the administration during the fifties, the all-powerful minister chose to support the established interests in the metropolis against the interlopers and contrabandists who had disrupted regular commerce. And by making imperial consolidation a profitable operation, he linked the interests of this privileged established entrepreneurial group to the interests of Empire.

The founding of the company brought angry reactions from the British merchants in Lisbon. A fortnight before, the Portuguese government had also touched a sensitive point by confiscating the gold in the possession of Humphry Bunster about to be remitted to England. The Humphry Bunster affair opened a long and complicated test case and established a precedent which could not fail to concern deeply the British merchant community in Portugal.

On November 1, 1755, the great earthquake laid much of Lisbon in ruins and ashes. As a consequence, an extra four percent import tax was levied as a contribution to the rebuilding of the city. As the members of the Factory were "sensible that a breach of treaty was the only solid foundation upon which a national complaint can be granted," they chose to interpret the special tax as a breach of the Cromwellian treaty's secret article, and used the occasion to raise their complaints against Carvalho e Mello before the London government.[56] A powerful memorial was forwarded to Secretary of State Fox, who immediately asked the advice of Lord Tyrawley. The report of the former ambassador was distinctly unfavorable to the pretensions of the British merchants, and in retrospect it is clear that

[55] Carvalho e Mello to Mendonça Furtado, August 4, 1755, BNLCP, códice 626, 98; also in *Correspondência inédita*, II, 784-788; Carvalho e Mello explained the objective of his actions with great clarity to the Duke Manuel Teles da Silva: "O Alvará que abolio os comissarios volantes restituio as praças de Portugal e do Brazil as comissões de que estavão privadas, sendo a principal substancia do comercio, unindo este, de sorte que possa estabelecer as grossas cazas, que falta, nas referidas praças, depois que contra elles prevaleceram aquelles interlopes ou contrabandistas do bem commum do mesmo comercio." Carvalho e Mello to Silva, no date (early 1756?) *AAP*, 419-420.

[56] Memórias do consul e factória británnica . . ., BNLCP, códice 94, 11v, 37.

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Carvalho e Mello acted with extreme skill and foresight. He was able to exploit a division among the British merchants in Portugal, while at the same time he camouflaged the real intention of his measures.[57]

The late forties and early fifties had seen the rise of a group of English merchants in Portugal who took advantage of the privileged position of the Factory, but were only tenuously related to the traditional pattern of Anglo-Portuguese commerce. Attracted by the spoils of the Portuguese and American markets, they engaged in a wide variety of exchanges which served to undermine the legitimate sale of higher-priced British manufactures. The tendency of English merchants to deal in French, Dutch, and Hamburg products was encouraged by the working of the secret article designed a century before to give British manufactures a privileged position. Faced with the competition of improved French and Dutch manufactures which had retained the low valuation imposed when they were of markedly inferior quality, the twenty-three percent tariff level was ceasing to work to the advantage of British exporters.[58] Lord Tyrawley himself had noted and lamented the change in the British Factory on his 1752 visit to Lisbon. The "traditional, regular, and frugal merchants," had been challenged by "men of a very different character," who were "Universal traders more than English factors," and who dealt "More or at least as Much in French goods, Hamburg linen, and other commodities of different countries than in the Produce of their Own." The trade of the Factory had ceased to be "Wholly an English trade," that employed "Our own Wool, Poor, Handicrafts, and Shops. . . ."[59]

It was not surprising then that Lord Tyrawley stressed the difference within the Factory between the merchant as universal trader and the merchant as English factor. The "total new modelling" he recommended was not unlike the regulation Carvalho e Mello was implementing with his commercial company and economic legislation. Tyrawley reacted against the use certain English merchants were making of the Factory in much the way Carvalho e Mello reacted against the use Portuguese speculators were making of the Brazil fleets. In fact Tyrawley in his report revealed a willingness to act with Carvalho e Mello and hinted that "new regulations" had been contemplated by them in 1752. In the changed political environment of the mid-fifties the universal traders were clearly in a vulnerable position. The old established English factors in Portugal might at

[57] Considerations upon the affairs of Lisbon . . . , Tyrawley papers, published by Walford in *British Factory*, 54-70.

[58] Sutherland, *A London Merchant*, 136-138.

[59] Walford, *British Factory*, 54-56.

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times have been tempted to trade in non-English merchandise, and they had certainly entered into arrangements with *commissários volantes* and contrabandists. But they also had a regular and legal access to fleet traffic, backed by treaty and tradition, as well as a strong interest (once the commissaries had been outlawed) in the smooth functioning of the fleet system. Thus while it was not true that only universal traders were connected with the *commissários volantes*, it was a convenient assumption, and one which could be used to political advantage.

The creation of the Company of Grão Pará and Maranhão caused no head-on collision between the British and Portuguese governments, for there was nothing in the Company's statutes which directly attacked vital British interests. Though administered by Portuguese subjects or naturalized citizens, investment in the Company was open to all—"to nationals and foreigners" alike. Foreign investment was specifically welcomed and guaranteed protection against confiscation and reprisal in case of war between Portugal and the nation of the investor concerned.[60] As compulsory agents of exchange for the Brazilian Far North it did not upset the equilibrium of Anglo-Portuguese commerce and was peripheral to the main channels of trade. The Company's activities were in no way detrimental to the English houses engaged in supplying British goods for regular fleet traffic, and only an attack on their interests would justify action from London.

Carvalho e Mello's policy was a practical and logical one within the terms of the Anglo-Portuguese economic relationship. The aim of a Portuguese economic nationalist would always be to achieve reciprocity, not the elimination of British trade. His genius during the fifties was in seeing that statesmanship lies as much in assessing the power and limitations of friends as in assessing that of enemies. He saw that within the relationship with Great Britain there was room for maneuver, and that he could safely make major changes and take fundamental decisions on vital national interests without calling the framework itself into question. He had no intention of altering or dispensing with the ancient connection, and if he could maintain the distinction between "measures rather to the disadvantage of the factory than to Great Britain," as Dalrymple put it, and stay within the letter of the treaties, he ran no risk of a major clash with the British government. "When treaties are concluded, the princes who make them consult the general interest of the kingdoms, and not the account-books of individual merchants," he told the British minister

[60] Macedo, *A situação econômica*, 117-118; Godinho, *Prix et Monnaies*, 326.

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in Lisbon. He added that "the mutual interest which bound England and Portugal together in so close a union was a security to us superior to all treaties."[61]

During 1759 Mendonça Furtado returned from Pará and Maranhão. Bringing his vast practical experience on the Brazilian frontier, he joined his brother's cabinet in Lisbon with direct responsibility for the colonies.[62] A month later, using the prototype of the first Brazil company, the statutes of a new commercial company received royal approval. Acting with the privileged established interests, the state now brought regulation to one of the principal centers of Brazilian commerce and production, the sugar exporting captaincies of Pernambuco and Paraíba. In order not to compete with the established merchants in Pernambuco, the company was allowed to sell only at wholesale in America. The government would manipulate customs duties in the metropolis to encourage the production of those colonial commodities other than sugar which could be re-exported. The company was to stimulate the sugar mills of the region and, like its forerunner, to encourage the importation of African labor.[63]

With the establishment of the Pernambuco Company, the British merchants in Portugal began to comprehend the dimension of the threat which faced them. In 1760 they remonstrated to the Earl of Kinneoul, and their petition underlined the long-term potentialities of the Portuguese government's measures, especially if projected companies for Bahia and Rio de Janeiro were chartered. These "intended companies" the merchants reported, "will settle in every city and town in England factors of their own to supply their companies with goods at first hand, which if effected will change the circulation and channel of trade from the hands of British subjects to Portuguese, and consequently we shall be deprived of our commission business and other profits that arise from the sale and purchase of our commodities. . . . Such an alternative will be extremely hurtful to our navigation, the trade being entirely carried on by the Portuguese . . ., [and] will force the major part of the British merchants and factors now residing in Portugal to leave the country."[64] The British envoy

[61] Smith, *Pombal*, II, 58; William Dalrymple, *Travels through Spain and Portugal* (London, 1777), 125.

[62] Alvará de nomeação . . . July 19, 1759, *Correspondência inédita*, III, 1228.

[63] Instituição da Companhia Geral de Pernambuco e Paraíba, Lisbon, August 13, 1759, BNLCP, códice 453, 275-290; Conselho ultramarino, vários, IHGB, 1-2-11; José Mendes de Cunha Saraiva, *Companhia Geral de Pernambuco e Paraíba* (Congresso do Mundo Português, Lisbon, 1940), 139-146.

[64] Memórias do consul e factória británnica, BNLCP, códice 94, 24-25v.

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in Lisbon wrote his government that Pombal intended to establish an active trade among the subjects of Portugal, and to make foreign factors useless.[65]

Pombal's rationalization of the structure of the commercial community also produced repercussions throughout Portuguese and Brazilian society. The state, by supporting specific elements, forced those groups not favored into opposition, and at times into collusion and conspiracy. Carvalho e Mello's measures hurt many vested interests, and the reaction was swift and angry.

The simultaneous promulgation of the Grão Pará and Maranhão Company's monopoly privileges and the Indians' emancipation from religious tutelage brought an immediate response from the dispossessed traders and the Jesuits. Both groups found an organ for their agitation in the *Mesa do Bem Commum*, a rudimentary commercial association established in the late 1720s. The *Mesa* formed a board of deputies representing the fraternity of Espírito Santo de Pedreira.[66] As representative of the Maranhão missions in Lisbon, Father Bento da Fonseca was in constant communication with the Pará and Maranhão commissaries. He prepared a draft from which João Thomás Negreiros formulated an extensive representation against the company.[67] In the name of the *Mesa do Bem Commum*, its advocate, Nogueira Braga, sought an audience with the king and presented the Negreiros-Fonseca memorandum. The seven of the *Mesa's* twelve deputies who took part in the confrontation "indulged in the most virulent abuse of, and applied the most violent language to the company, predicting the most fatal consequences to the country."[68] Meanwhile from the pulpit of the Basilica of Santa Maria Maior, the Jesuit Manoel Ballester delivered a vehement attack on the monopoly, proclaiming that "he who entered it would not be of the company of Christ our Lord."[69]

The government reacted by ordering the dissolution of the commercial fraternity of Espírito Santo as prejudicial to the royal service, common interest, and commerce. The offending deputies were banished from the country. The confiscated papers of the *Mesa* revealed the extent of Jesuit involvement, and Carvalho e Mello interpreted and dealt with the protest as if it were a conspiratorial uprising against royal power.[70] The *Mesa do Bem Commum*, abolished in Sep-

[65] Smith, *Pombal*, II, 46-48.
[66] d'Azevedo, *Estudos*, 54-56, and *Marquês de Pombal*, 148-150.
[67] d'Azevedo, *Os Jesuítas no Grão Pará*, 248-249.
[68] Smith, *Pombal* (2nd. ed., London, 1871), 167.
[69] d'Azevedo, *Estudos*, 60.
[70] Carvalho e Mello refered to the protest as a *sublevação* in a private letter

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tember 1755, was replaced by the *Junta do Comércio* or Board of Trade. The new junta was charged with the regulation of "all affairs connected with commerce."[71]

The Society of Jesus was thus one of the chief casualties of the events which had been set in motion by the imperial pretensions of Carvalho e Mello's administration and by the attempts to nationalize sectors of the Luso-Brazilian commercial system. Given the background of the effort to populate and exploit so great a tropical and sub-tropical region, to encourage European-Indian marriage, and to consolidate national territories, the clash with the Jesuits must appear an inevitable byproduct. The Jesuits bestraddled the frontiers at the two most vital and sensitive points in the imperial system of Luis da Cunha—in the Amazon and in Paraguay and Uruguay. Pombal urged his brother in 1755 to use "every possible pretext to separate the Jesuits from the frontier and to break all communication between them and the Jesuits of the Spanish dominions."[72] The Indian policy of the Company of Jesus stood in the way of the government's plan to populate and Europeanize the interior by assimilation. The missions' near monopoly of commerce and exemption from contribution to the state in the Far North brought acute tension between them and a secular administration attempting to consolidate and finance the fortification of Amazônia.

Preeminently, it was the Jesuit reaction to the Madrid agreements and the measures of the new Portuguese government that made the chances of a peaceful solution remote. In opposition to the secular rulers of South America, the missions of Uruguay and Paraguay took up arms. And the missions of Pará and Maranhão intrigued against a project Pombal considered essential to the battle against foreign domination of the economy. The Duke Manuel Teles da Silva, reversing his earlier views on the desirability of Jesuit cooperation, recommended that "this fire . . . must be snuffed out at all costs." He pointed out in February 1758 that "it was not evangelical spirit that armed with muskets eighty or a hundred thousand Indians and erected an intermediate power from the river Plate to the Amazon,

to his brother, Carvalho e Mello to Mendonça Furtado, August 4, 1755, *Correspondência inédita*, II, 784-788.

[71] Estatutos da Junta do Comércio, ordenados por El Rey. . . . September 30, 1755; Alvará porque . . . he por bem confirmar os estatutos da Junta do Comércio, December 16, 1756, BNLCP, códice 453, 128-147.

[72] Carvalho e Mello to Mendonça Furtado, March 17, 1755, *Correspondência inédita*, II, 668-673.

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which one day could be fatal to the interested and dominant powers of meridional America.''[73]

The *Mesa do Bem Commum* affair, the attack on contraband, and the regulation of colonial commerce had already brought the diverse but interrelated elements of the freetrading era—the interlopers, English universal traders, and Jesuits—to an identity of interest. The political and economic favors bestowed by Pombal on his merchant collaborators would also tend to produce an identity of interest with the discontented nobles in Portugal, for the group opposed by the freetraders and supported by Pombal also represented a potent challenge within the social structure to aristocratic privilege. ''To put an end to the authority of King Sebastian it is indispensible to destroy that of King Joseph.''[74] Such a sentiment expressed in a letter to the Duke of Aveiro (discovered after the abortive attempt on the king's life in 1759) was one that Jesuit, freetrader, English universal trader, and aristocrat, would be tempted to support. Certainly the news of the failure of the Tavorá-Aveiro assassination plot was greeted with undisguised dismay by those interests not favored by the Pombaline state. In Pará the Jesuits were noticibly absent from the service of thanksgiving for King Joseph's safety.[75]

During 1758 the government suppressed the temporal power of the Jesuits throughout Brazil, and the directory system of Indian secular control designed by Mendonça Furtado for Pará and Maranhão was made applicable in all Portuguese America.[76] On September 3, 1759, the Portuguese government decreed the proscription and expulsion of the Society of Jesus from the whole Empire, prohibiting any communication either verbal or in writing between Jesuits and Portuguese subjects.[77] In 1760 the Pará Company's ship *Nossa Senhora de Arrabida* carried the last Maranhão Jesuits into exile.[78] The prime motive for the Tavorás disaffection had probably been an intimate personal matter, for the king had taken the young marquis' wife as his mistress. Still the acute tension produced by the Jesuit problem aggravated the situation and was in part responsible for the violence of the reaction when it came. From the dark waters of the Tavorá-Aveiro affair and the consequent gory extermination of the

[73] Silva to Carvalho e Mello, Vienna, February 10, 1758, and Vienna, April 1, 178, in *AAP*, 386-387, 395.

[74] Cited by Cheke, *Dictator of Portugal*, 146.

[75] d'Azevedo, *Os Jesuítas no Grão Pará*, 306-307.

[76] Prado Júnior, *A formaçao do Brasil contemporâneo*, 89.

[77] Ley porque Vossa Magestade he servida exterminar, proscrever, e mandar expulsar dos seus Reinos e Domínios, os Religiosos da Companhia denominada de JESÚ . . . , September 3, 1759. BNLCP, códice 453, 291-294.

[78] Simonsen, *História económica*, 339.

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leaders of the aristocratic conspiracy in a public spectacle, there emerged a self-conscious attempt to remold the Portuguese nobility.

The attack on noble tax privileges, the qualification of commercial men for public office, the corresponding permission for public men to involve themselves in commercial matters, and the use of ennoblement as an incentive to investment in the privileged companies, were all part of a wider policy of Carvalho e Mello. The College of Nobles, chartered in 1761 and endowed in 1765 from, among other sources, the confiscated properties of the house of Aveiro and the Jesuits, was to purge the nobility of the "false persuasion" that they could live "independent of the virtues." Among the first pupils were Pombal's second son and the two children of his collaborator, José Francisco da Cruz, a commercial and self-made man, ennobled by investment in the Company of Pará and Maranhão, the statutes of which he inspired.[79]

In the decade following Joseph's accession Portugal had seen several important initiatives. Some of them had set in motion series of events it would have been difficult to foresee in 1750. The new reign and the predominance of the future marquis of Pombal had brought a careful and sustained challenge to the dominating influence of the British, and a determination to bring about a more balanced relationship between the two allies. Carvalho e Mello with a variety of techniques had sought to end Portugal's semi-colonial dependency on Great Britain. To the actions of the Portuguese government he brought his careful assessment of the scope of the problem in its imperial and European contexts. Within this essentially Atlantic dimension his pragmatic approach to the issues had produced by 1755 a policy which was to have profound repercussions throughout Portuguese society. During the fifties Carvalho e Mello had revealed by his actions a concern for empire and a nationalism which was not characterized by negative phobias but by a pragmatic and positive plan of action.

[79] Rómulo de Carvalho, *História da fundação do Colégio Real dos Nobres de Lisboa 1761-1772* (Coimbra, 1959), 119-121, 182; For the removal of noble tax exemptions see Macedo, *a situação econômica*, 50. The Companies' statutes offered noble status to investors, for example paragraph 33 of instituição, Companhia Geral de Pernambuco, BNLCP, códice 453, 275-290. Investment was also made compatible with the exercise of public office, Alvará porque . . . he servido declarar que todos os ministros, e officiaes de justiça e fazenda ou guerra he permittido negociar por meyo da Companhia Geral do Grão Pará e Maranhão, e qualquer outros por V. M. confirmados, January 5, 1757, BNLCP, códice 456, 138. Information on the Cruz family see Ratton, *Recordações*, 190-192, 257-261, and d'Azevedo, *Estudos*, 50-51.

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Not until the early sixties did British official and merchant circles wake up to the true extent of the Pombaline scheme. Certainly during the fifties the English factors and the British government had no sound reasons for complaint, and between 1755 and 1760 the value of British exports to Portugal reached the highest level and produced the greatest favorable balance of the century.[80] Very shortly profound changes in the international situation and the transformation of the economic environment were to force the abandonment of Pombal's projects. But certainly during his first decade in office the little genius who had a mind to be a great one in a little country had clearly assessed the magnitude of the Luso-Brazilian world. And behind the "ancient names and ancient clothing," which his friend the Duke Manuel had recommended should always disguise "great new dispositions," he had acted to preserve, consolidate, and renationalize the benefits of Luso-Brazilian wealth and commerce.

[80] Schumpeter, *Trade Statistics*, 17-20.

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